

Report

Report to:	Community and Enterprise Resources Committee
Date of Meeting:	4 May 2021
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Town Centre Funding and Project - Update
----------	---

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ update Committee on the progress of the projects funded from the Scottish Government's Town Centre Capital Grants Funds, the Council's Capital Programme and Regeneration Capital Grant Funds

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s): -

- (1) that the contents of the report be noted.

3. Background

3.1. At the Community and Enterprise Resources Committee on the 16 February 2021 a request was made for a report to be brought to the Committee to provide an update on the various town centre funding streams and projects. In turn, this report has been prepared to provide that update.

3.2. The Council has been awarded funding from a number of sources since the beginning of 2019 for town centres. This has allowed a programme of investment to be put in place following consultation and including bidding exercises with local communities.

3.3. The principal funding sources and sums awarded is summarised as follows with the details of allocations set out in Appendix 1:-

- ♦ Scottish Government Phase 1 Funds: Allocation in March 2019 of **£2.506m** from the Scotland-wide £50m Town Centre Capital Grants Fund. The original timescales for committing and spending these funds were March 2020 and September 2020. However, an extension of time requiring the projects to be committed by March 2021 and spent by September 2021 was given in February 2020.
- ♦ Scottish Government Phase 2 Funds: On 18 September 2020, the Council was informed by Scottish Government that a Phase 2 allocation of £18M was being made available to local authorities to augment the Phase 1 funding from 2019. South Lanarkshire's share of this second phase is **£902,000**. The timeframe to spend this Phase 2 funding is coterminous with the timetable for Phase 1 – i.e. the money must be committed by March 2021 and spent by September 2021.
- ♦ Council Capital Programme: An allocation of **£500k** to enhance and extend the programme of town centre activity was confirmed in the Capital Programme

Report to the Executive Committee in March 2020. The capital programme funding has gone through a similar bidding process to that carried out for phases 1 and 2 of the Scottish Government Funding for its allocation. Funding of **£60k** was also allocated through the Capital Programme to allow the initial work to be carried out on the East Kilbride Civic Centre Project as noted below.

- 3.4. Each of these allocations have been subject to report and approval of the Community and Enterprise Resources Committee, most recently on 24 November 2020.
- 3.5. Through the bidding process there have been awards allocated for 16 town centre projects across 13 of our town centres.
- 3.6. In support of the programme of projects funded, officers have sought additional funds to develop the projects further. This has been via the Regeneration Capital Grant Fund (RCGF) through which 2 projects have been developed, each of which are at different stages of RCGF funding:-
 - ◆ The Hamilton HUB in the Newcross Centre has secured funding of **£720k** which has been matched with £250k of phase 2 funding. This project is progressing through tendering of the works.
 - ◆ The Zone, East Kilbride was unsuccessful at the second and final stage of the application process. The application was for £790k with match funding of £175k from phase 1. This project will, therefore, not proceed as envisaged in the application. The work carried out to date sought to link this project to the Near to Home Working proposals, set out below, and that the match funding will be reallocated to support and enhance the Near to Home Working project.
- 3.7. Despite the unsuccessful bid for the Zone project, there are 2 other significant town centre projects which will have a material benefit to East Kilbride these are:-
 - ◆ East Kilbride Civic Centre - the funding of £60k from the capital programme has supported feasibility work regarding the potential to move out of the Civic Centre which is underutilised and no longer fit-for-purpose for modern service delivery, in turn, the site could be redeveloped. This approach was reported and approved at the Executive Committee on the 26 June 2019. Initial high level master planning work was presented and discussed at the East Kilbride Area Committee on 24 March 2021. Following detailed and constructive discussion with members, officers will investigate, and commission design work aimed at relocating remaining Council services into the East Kilbride shopping centre. An allocation of £201k has been set aside from Phase 1 to take this work to the next stage of project development.
 - ◆ Near to Home Working – Transport Scotland are supporting a pilot project to provide flexible business space for people who are working from home but would benefit from being able to access office space periodically. Transport Scotland have secured funding of £250k from their capital programme to allow the pilot to proceed in vacant space in the Olympia Mall of the Town Centre. Adding the match funding previously allocated against the Zone application would allow a larger and more commercially sustainable facility to be provided.
- 3.8. A further key benefit of the range of projects and initiatives being delivered is that many will support the Government and Council's ambitions around "20 Minute Neighbourhoods". It is also expected that a number of the projects will play a role in the emerging opportunities around Community Wealth Building- by repurposing Council assets to meet the needs of communities and support the local economy.

4. Linked Activity in Town Centres

- 4.1. Across the 10 towns defined in the South Lanarkshire Local Development Plan (LDP) there is active and ongoing engagement with appropriate groups in the towns. These differ from town to town, and include Business Improvement Districts (BIDs), Development Trusts, Community Councils, and private property owners.
- 4.2. Town Centre strategies and Action Plans have been prepared and approved for Hamilton and Cambuslang with Larkhall and Blantyre in the latter stages of their preparation. The Larkhall strategy and action plan are the subject of a separate report on this agenda. Similar plans are being progressed by the communities in Lanark and Carluke.
- 4.3. These strategies and Action Plans are closely aligned with the Scottish Government approach to supporting town centres. The Government have recently published A New Future for Scotland's Town Centres following a review of the Fraser Review of Town Centres and resultant Action Plan in 2013. The document builds on the previous work and seeks to strengthen the position of Town Centres by reinforcing their position at the heart of our communities and by strengthening the status of town centres in the regulatory framework for statutory authorities. The document is positive about the way ahead while recognising the many challenges and brings forward a number of practical approaches to mitigating their impacts.
- 4.4. Officers across Planning and Economic Development Services are working closely to review the changing dynamics of town centres and consider how planning policy can support and enable development / re-provision of existing space within town centres. One of the key themes in regenerating town centres is increasing town centre living particularly in locations where commercial uses are no longer viable. A number of the capital projects have therefore sought to facilitate residential development and, along with a number of private / Housing Association proposals, have highlighted some of the particular challenges these opportunities present.

5. Current position

5.1. COVID-19

The full impact of COVID-19 on town centre businesses is unlikely to be fully understood either locally or nationally for some time. Businesses are surviving via the business support grant funding which has been made available, however it may be likely that a number may not be sustainable once this support ends. There are potential opportunities for town centres to realign their offer to the different and, in many cases, increased potential customer base. With so many people working from home there are customers who would not normally use their local centre who could be attracted to spend time and money as restrictions ease.

5.2. Projects

A summary of the projects and current position is set out in the table below. The financial allocation against each project is noted in the table at Appendix 1. The status of the projects has been categorised into BRAG: Blue -complete; Green - on track; Amber - issues to be resolved and Red – project not progressing.

Project Summary and Update

Project Number	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
1	Royal Oak, Lanark	Social rented housing development on the site of a derelict hotel.	Development has all statutory consents in place and work began on site in April 2021.	£345k / c£4m	Q 2 2021 / Mid 2022	Green
2	Former Hamilton Advertiser Building, Hamilton	Social rented housing development on the site of a former print works	Demolition works are complete, and the main works are progressing.	£300k / £3.2m	Q1 2021 / Late 2021	Green
3	East Kilbride Shared Workspace	To create 10,000 sq. ft. of business start-up space on floor 7 of Plaza Tower. Funds of £200k reallocated to the Civic Centre feasibility project	Private sector match funding could not be secured, project not proceeding	N/A	N/A	Red
4	Vogue Site, Hamilton	Social rented housing development on the site of a former Bingo hall Progress has been slower than anticipated due to COVID-19 restrictions and changes in personnel however programme should still be achievable.	Planning application lodged March 2021. Site investigations and essential repairs carried out. Contracts in place to proceed. Council approval to dispose of site to RSL obtained March 2021	£440k / c£4.3m	Q3 2021 / Late 2022	Amber
5	Former Poundstretcher, Hamilton	Redevelop the Poundstretcher site as a mixed use residential/retail development. Funds of £180k put back into the programme to support phase 1 delivery.	Property could not be secured - project not proceeding	N/ A	N/A	Red
6	Cambuslang Streetscape	Streetscape improvements including pavement resurfacing.	Tender return February 2021, with site start in April 2021	£820k	Phased Q1 2020 - Q3 2021	Green
7	South Lanarkshire Heritage App	Development of a South Lanarkshire wider town centre app.	First phase live for Bothwell, Stonehouse, Douglas, Strathaven Funding for other Communities secured	£150k / £240k	Phased Q2 2020 – Q4 2021	Green
8	Forth Café and Cinema	To create a cinema and kitchen café in town centre hall for community town centre events and increase town centre footfall.	Works complete and final payments being processed	£60k	Q1 2021	Blue

Project Number	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
9	Carnwath site assembly	Acquisition of a derelict site to facilitate a community project	Acquisition will be finalised on completion of remediation works by existing owner. Development subject to other funding which is now in place	£335k / £650k	Q2 2021 Q3 2022	Green
10	Hunters Close, Lanark	Removal of a derelict building and creation of town centre car parking / market space.	Demolition works complete with reinstatement works underway	£257k	Phased Q1 – Q3 2021	Green
11	Rankin Gait, Carluke	Regenerate the Rankin Gait Precinct creating the Rankin Gaitway Community Space.	Designs and statutory consultations being progressed.	£100k	Q1 2022	Green
12	Carnwath Community and Enterprise Hub)	Acquire retail premises and hold for the future benefit of the community.	Negotiations and legal work being finalised.	£25k	Q3 2021	Green
13	Forth Business and Outdoor Development	Creation of an outdoor space to expand the Rainforest Cafe at Forth St Paul's church and provide a safe space for various activities	Designs and statutory consultations being finalised.	£75k	Q3 2021	Green
14	Welcome to Larkhall	The project aims to improve the appearance of the main shopping street, making it more attractive to shoppers and visitors.	Designs and statutory consultations being progressed.	£100k	Q1 2022	Green
15	Rutherglen Town Centre Business Support	Creation of a business hub providing space for new starts and/or existing business. A design improvement to extend the frontage of the shopping centre to include all shops.	Works completed April 2021	£100k	Q1 2021	Blue
16	Development of the Thomson Suite in the Town Mill, Strathaven	Development of the Thomson Suite in the Town Mill, provision of a tourist information point in the town centre and further development of the Strathaven InsideOut app.	Designs and statutory consultations being progressed.	£100k	Q1 2022	Green
17	Newcross Centre Hub	Community/business/enterprise hub which will include office space, private and shared facilities for businesses, a community café, youth activities and business start-up space Cost saving exercise required which has delayed programme	Design complete and works out to tender	£920k	Phased Q1 2021 – Q4 2021	Amber
18	EK Civic Masterplan	Feasibility work regarding the potential to move out of the Civic Centre which is	Negotiations proceeding with Town Centre	£201k / TBC	Q2 – Q3 2021	Amber

Project Number	Name	Summary	Update	Project Value Grant / project value	Target grant spend / Project completion	BRAG
		underutilised and no longer fit-for-purpose investigate, and commission design work aimed at relocating remaining Council services into the East Kilbride shopping mall. The programme and spend is constrained by the funding timescales, SLC decision making and Orion Funders decision making.	Owners and design progressing			
19	Near to Home Working	Pilot project to provide flexible business space for people who are working from home	Designs and statutory consultations being progressed	£250 / £425k	Q1 – Q3 2021	Green
20	EK Zone	Community / business / enterprise business space alongside other public and voluntary sector partners Town Centre funding of £175k to be redirected to support Near to Home	Funding application unsuccessful. Project on hold until alternative funding secured.	N/A	N/A	Red
Totals			Total Project value c£15.4m with Civic Centre investment to be confirmed but estimated at £5m - £7m			

5.3. Whilst undoubtedly positive news for South Lanarkshire's town centres, the Government have set a very tight and ambitious timetable for projects funded by them. This would be the case even if we were not faced with the additional challenges of delivery during a global pandemic. Some of the delays in the Phase 1 projects are related to the need to coordinate a range of partners and, although the partnership/collaboration approach has been positive in achieving shared outcomes, it has inevitably taken longer because of more than one organisation having to go through its decision-making processes.

6. Next Steps

6.1. The projects against which funding was awarded in earlier rounds are continuing in line with the BRAG position set out in the table in the Appendix 1. Officers in Economic Development Services are continuing to liaise and progress these projects. The Hamilton HUB project has secured external funding and preliminary works in terms of design are underway. It is anticipated this work will be completed in February / March 2021, which will then allow a tender to be issued. Discussions with the owners of East Kilbride Town Centre are progressing and it is intended to bring a report to Committee in autumn 2021 to provide an update on these discussions.

7 Employee Implications

7.1. There are no employee implications from this report with the project delivery and liaison being led by officers within the Economic Development Service.

8. Financial Implications

- 8.1. The funds, where appropriate, have been brought into the Council's General Services Capital Programme and will be subject to the normal monitoring and financial processes.
- 8.2. To ensure transparency of payment, officers will monitor and manage the claim and payment process through the Grantvisor system.

9. Climate Change, Sustainability and Environmental Implications

- 9.1. The projects and initiatives identified in this report will be delivered using a range of sustainable techniques and models, having regard to best practice and current construction industry guidance. It is also noted that many of the projects will result in the redevelopment of vacant buildings and land.

10. Other Implications

- 10.1. Due to the diverse portfolio of projects, the timescales within which projects were developed and the capacity of groups involved, there is a risk that some projects may not proceed in the way envisaged and fail to meet the timescales required.
- 10.2. Ultimately, this could result in grant not being expended in the relevant time frame and opportunities to implement these specific projects will not be maximised. This may result in project funding being withdrawn. Best endeavours will continue to be made to deliver all remaining projects within the available timescale.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function, or strategy and therefore, no impact assessment is required.
- 11.2. Consultations have been co-ordinated by Economic Development Services with a range of other Council Services which have an ongoing role in delivering services and initiatives in our Town Centres. This consultation and co-operation will continue throughout the duration of the initiatives.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

7 April 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Support the local economy by providing the right conditions for growth, improving skills and employability.
- ◆ Improve health and increase physical activity
- ◆ Partnership working, community leadership and engagement

Previous References

- ◆ Community and Enterprise Resources Committee, 4 June 2019 – Town Centre Capital Grant Fund
- ◆ East Kilbride Town Centre/ Civic Centre – Masterplan - Executive Committee on the 26 June 2019
- ◆ Community and Enterprise Resources Committee, 3 September 2019 – Town Centre Capital Grant Fund Update
- ◆ Community and Enterprise Resources Committee, 4 February 2020 – Town Centre Capital Grant Fund Update

- ◆ Community and Enterprise Resources Committee, 25 March 2020 – Town Centre Capital Grant Fund Update
- ◆ Community and Enterprise Resources Committee, 15 September 2020, Town Centre Capital Grant Fund Update
- ◆ Community and Enterprise Resources Committee, 24 November 2020, Scottish Government Town Centre Funding – Phase 1 Update and Phase 2 Proposed Funding Allocation

List of Background Papers

- ◆ Scottish Government Review of Town Centres - A New Future for Scotland's Town Centres February 2021

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Iain Ross, Project Manager, Planning and Economic Development Services.

Ext: 01698-454227

E-mail: Iain.ross@southlanarkshire.gov.uk

Appendix 1 – Financial allocation between projects

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed	RCGF Awarded	Transport Scotland	RCGF subject to approval	Proposed project total	BRAG
Fund Total		£2,506m			£902k	£500k	£720k	£250k	£790k		
1	Royal Oak, Lanark – Social rented housing development on the site of a derelict hotel	£225,000	£95,000		£25,000					£345,000	Green
2	Former Hamilton Advertiser Building, Hamilton - Social rented housing development on the site of a former print works	£300,000	-							£300,000	Green
3	East Kilbride Shared Workspace – Conversion of office space		£0							£0	Red

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed	RCGF Awarded	Transport Scotland	RCGF subject to approval	Proposed project total	BRAG
4	Vogue Site, Hamilton - Social rented housing development on the site of a former Bingo hall	£340,000	-		£100,000					£440,000	
5	Former Poundstretcher, Hamilton – redevelopment of retail unit		£0							£0	Red
6	Cambuslang Streetscape – up trade of streetscape in the main street	£620,000	-		£225,000					£845,000	Amber
7	South Lanarkshire Heritage App – development of a South Lanarkshire wider town centre app	£150,000	-		£50,000					£200,000	Green

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed	RCGF Awarded	Transport Scotland	RCGF subject to approval	Proposed project total	BRAG
8	Forth Café and Cinema – conversion of space in a church to provide a community cinema and associated facilities.	£55,000	£5,000							£60,000	Blue
9	Carnwath site assembly – acquisition of a derelict site to facilitate a community project	£260,000	£75,000							£335,000	Green
10	Hunters Close, Lanark – removal of a derelict building and creation of town centre car parking	£180,000	-		£77,000					£257,000	Green

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed	RCGF Awarded	Transport Scotland	RCGF subject to approval	Proposed project total	BRAG
	/ market space.										
11	Rankin Gait, Carluke					£100,000				£100,000	Green
12	Carnwath Community and Enterprise Hub)					£25,000				£25,000	
13	Forth Business and Outdoor Development					£75,000				£75,000	Green
14	Welcome to Larkhall					£100,000				£100,000	Green
15	Rutherglen Town Centre Business Support					£100,000				£100,000	Blue
16	Development of the Thomson Suite in the Town Mill					£100,000				£100,000	Green
	Sub total	£2,305,000			£477,000	£500,000				£3,282,000	
17	Newcross Centre Hub				£250,000		720,000			£970,000	Green

Project Number	Name	Phase 1 funding approved	Phase 1 funding additional grant approved	Phase 1 funding additional grant proposed	Phase 2 funding Proposed	Capital Programme Proposed	RCGF Awarded	Transport Scotland	RCGF subject to approval	Proposed project total	BRAG
18	EK Civic Masterplan			£201,000						£201,000	Green
19	Near To Home Working							£250,000		£250,000	Green
20	EK Zone				£175,000				£790,000	£965,000	Red
	Totals	£2,506,000			£902,000	£500,000	£720,000		£790,000	£5,668,000	